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SUPERFUND RECORDS

PRELIMINARY ANNUAL REPORT

1944

KANSAS EXPLORATIONS, INC.

010648

Joplin, Missouri
February 9, 1945

Mr. Andrew Fletcher,
Vice President & Treasurer,
Kansas Explorations, Inc.
250 Park Avenue,
New York 17, N. Y.

Dear Mr. Fletcher:

I transmit herewith Annual Report
of the Kansas Explorations, Incorporated, for the
year 1944.

Respectfully submitted,

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ANNUAL REPORT
OF
KANSAS EXPLORATIONS, INCORPORATED
JOPLIN, MISSOURI
1944

ANNUAL REPORT
OF
KANSAS EXPLORATIONS, INCORPORATED
for
1944

The operations of the Kansas Explorations, Inc. were carried on continuously at the Ritz, Jasper, Snapp and Buckingham Units throughout the year. The Lotson property located in Ottawa County, Oklahoma, adjoining the Ritz Tract, operated until May 5, 1944.

The base price paid for 60% mine concentrates remained at \$55.28 per dry ton throughout the year. The District base price per dry ton of 80% lead concentrates was \$76.54 throughout the year.

Additional income was received for Kansas Explorations, Inc. operations through payments for Over-Quota Production, as established by the Quota Committee of the War Production Board.

LIST OF LEASES AS AT DECEMBER 31, 1944

--OPERATING UNITS--

Number	Name	Acres	State	Landowners Royalty
<u>RITZ UNIT</u>				
921	Ritz	60	Oklahoma	12 $\frac{1}{2}$ %
<u>DARDENNE UNIT</u>				
974 $\frac{1}{2}$	Dardenne	40	Oklahoma	5%* - 7 $\frac{1}{2}$ %
*5% on tailings and 7 $\frac{1}{2}$ % on underground ores.				
<u>JASPER UNIT</u>				
	Jasper	270	Missouri	1%
<u>SNAPP UNIT</u>				
	Snapp	40	Missouri	
974	Gunning	280	Missouri	7 $\frac{1}{2}$ %
	Total	320		
<u>BUCKINGHAM UNIT</u>				
977	Buckingham	140	Missouri	7 $\frac{1}{2}$ %
1001	Gibson, Et al	120	Missouri	7 $\frac{1}{2}$ %
1002	Robinson	10	Missouri	7 $\frac{1}{2}$ %
999	McWaters	80	Missouri	7 $\frac{1}{2}$ %
1008	Miller	43	Missouri	7 $\frac{1}{2}$ %
1007	Boyd	80	Missouri	7 $\frac{1}{2}$ %
1009	Aylor	40	Missouri	7 $\frac{1}{2}$ %
	Total	513		

--PROPOSED UNITS--

975	Gunning	160	Missouri	7 $\frac{1}{2}$ %
976	Buckingham	107	Missouri	7 $\frac{1}{2}$ %
978	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
979	Cushman	80	Missouri	7 $\frac{1}{2}$ %
980	McReynolds	80	Missouri	7 $\frac{1}{2}$ %
982	Stevison	120	Missouri	7 $\frac{1}{2}$ %
984	Poundstone	76 $\frac{1}{2}$	Missouri	7 $\frac{1}{2}$ %
985	Poundstone	80	Missouri	7 $\frac{1}{2}$ %
989	Norton	60	Missouri	7 $\frac{1}{2}$ %
992	Weaver	60	Missouri	7 $\frac{1}{2}$ %
995	Gibson	160	Missouri	7 $\frac{1}{2}$ %
996	Gibson	152	Missouri	7 $\frac{1}{2}$ %
	Total	1215 $\frac{1}{2}$		
Total Acres		2418 $\frac{1}{2}$		

RITZ UNIT
1 9 4 4

The Ritz Lease is located in Ottawa County, Oklahoma,
and contains 60 acres. It is operated under a $12\frac{1}{2}\%$
royalty lease from the Indian Department which expires
March 2, 1946.

RITZ UNIT
1 9 4 4

The Ritz Unit was operated continuously throughout the Year, 1944. The Mine operated two 8-hour shifts per day, hoisting ore on both shifts from January 1, 1944, until April 15, 1944. Through the remainder of the year ore was hoisted only on the day shift, the night shift doing drilling and loading mine cans. The 30-ton per hour concentrating plant operated 24 hours per day from January 1, 1944, to April 15, 1944; 16 hours per day from April 15, to October 28, 1944; and, 10 hours per day from October 28, until December 10, 1944. Through the remainder of the year the concentrating plant operated 8 hours per day. All ore treated was mined underground and was hoisted at the mill shaft, the ore being delivered to the shaft in the mine by two, three and one-half ton, storage battery locomotives.

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At the Ritz Unit, during 1944, a total rock tonnage of 98,288 tons was hoisted, and a total of 98,428 tons of mine rock was treated in the concentrating plant. From the tonnage treated, 3,246.000 tons

of zinc concentrates and 270,920 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1944 yielded a recovery of 3.30% in the form of zinc concentrates and .27% in the form of lead concentrates or a total zinc and lead concentrate recovery of 3.57%. During the operating period, 22,068 man shifts were employed in operations--each man shift averaging a production of 4.5 rock tons or the equivalent of .16 tons of zinc and lead concentrates. The total average operating cost was \$3.036 for each ton of rock or \$84.89 for each ton of zinc and lead concentrates recovered.

The Ritz property operated under the Over-Quota Production Plan established by the War Production Board which paid a premium of \$29.70 per ton concentrates per month equivalent to 60% zinc, and, \$41.80 per ton concentrates per month equivalent to 80% lead produced in excess of the established quota.

From January 1, 1944, to June 1, 1944, the Ritz Property operated under an "A" and 95-ton "B" Quota for zinc and an "A" Quota for lead. This Quota was revised June 1, 1944, to a Zero "A" and Zero "B" Quota on both lead and zinc, and continued on this basis through the remainder of the year.

On December 31, 1943, the Ritz Unit had no concentrates in bins. During the year 1944, 3,246.000 tons of zinc concentrates and 270.920 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$55.81 for zinc concentrates and \$59.86 for lead concentrates was obtained, or, an average of \$56.12 per ton.

Premiums for Over-quota Production for the year 1944 averaged \$55.61 per ton of zinc concentrates and \$52.03 per ton of lead concentrates or an average of \$55.34 per ton.

The average gross amount received per ton of zinc and lead concentrates, including premiums for Over-quota Production was \$111.46. The average royalty paid on zinc and lead concentrates sold and loaded was \$11.17 per ton. Throughout the year, royalty was paid on the premiums received on an "A" quota.

During the year, \$4,350.29 was spent for operating development. This was an expenditure of \$.045 for each ton of rock mined and \$1.23 for each ton of concentrates recovered. 100 feet of underground development and 3,440 feet of surface churn drilling was completed during the year in addition to necessary exploratory work.

At the beginning of the year, the probable and possible ore reserve was 16,265 tons of zinc and lead concentrates. At the close of the year, the proven and possible ore reserve was tons of zinc and lead concentrates. During the year, 3,516.920 tons of zinc and lead concentrates were produced.

The total tonnage of proven ore reserves of a grade of ore exceeding 3% is very small but the concentrate tonnage of a grade of ore of 2% is estimated as being

If the ore tonnage having a grade of 2% is to be mined, it will be necessary for us to have a revision of our present Quota, which, at this time, is a Zero "A" and Zero "E" for both lead and zinc.

There has been unusual handicaps in the mining of ore in the past year in the form of Lack of Manpower, Absenteeism, Low Efficiency of the Manpower we did have-- all of which prevented our performing the usual amount of development work.

The Ritz Lease expires March 2, 1946.

During 1944, the Ritz Unit operating expenditure for labor and liability insurance was \$202,505.93; for items other than labor was \$96,058.95 or a total of \$298,564.88. The total operating mine profit, Joplin

Office, for the year 1944 at the Ritz Unit was \$44,456.22 based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income for the year was \$2,858.98.

RITZ UNIT
1944

RECOMMENDATIONS FOR 1945

Due to the shortage of labor, no special recommendations are made for the year 1945 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

It is thought advisable to give consideration to the possible retreatment of the 1,500,000 tons of tailings stored at this plant. If an "A" quota for 60% zinc and an "A" quota for 80% lead could be arranged for concentrates produced from the retreatment of these tailings with the probability of it continuing for $1\frac{1}{2}$ or 2 years, it is believed that a monthly profit of about \$5,000.00 could be obtained. It would require about $1\frac{1}{2}$ to 2 years to retreat all of the tailings now available on the Ritz Tract at the rate of 100 tons per hour and operating 26 to 30 days a month.

SNAPP UNIT
1 9 4 4

The Snapp Tract is located in Jasper County, 10 miles North of Joplin, Missouri--is owned in fee by the Kansas Explorations, Incorporated--contains approximately 40 acres. The balance of the 280 acres comprise the Snapp Unit.

SNAPP UNIT
1944

The Snapp Unit was operated continuously throughout the year 1944. During the operating period, the mine operated two 8-hour shifts per day and the concentrating plant operated 24 hours per day. The larger amount of ore mined from this tract was mined from the West or #2 Shaft, and, all ore was hoisted from the Mill shaft and was milled in the mill located on the Snapp Tract.

At the Snapp Unit during the year 1944, a total rock tonnage of 79,324 tons was hoisted and 79,756 tons of mine rock were treated in the concentrating plant.

From the above tonnage treated, 3,320.785 tons of zinc concentrates and 281.610 tons of lead concentrates were recovered. The entire rock tonnage treated during 1944, yielded a recovery of 4.16% in zinc concentrates and .35% in lead concentrates or a total zinc and lead concentrate recovery of 4.51%.

During the entire year of 1944, the Snapp Unit operated under the Over-Quota Production Premium Plan established by the War Production Board. Throughout the entire year this property operated on an "A" and 110-ton "B" quota for zinc and an "A" quota for lead production.

During the operating period 17,427 man shifts were employed, each man shift averaging a production of 4.6 rock tons, or the equivalent of .21 tons of zinc and lead concentrates. The average operating cost was \$2.821 for each ton of rock, or \$62.25 for each ton of zinc and lead concentrates recovered. In addition to the above cost, there was expended for churn drilling in the Snapp area the sum of \$2,664.73. This was equal to a cost of \$.09 for each ton of rock mined, or, \$2.01 for each ton of zinc and lead concentrates recovered.

On December 31, 1943, the Snapp Unit had no concentrates in bins. During the year 1944, 3,320.785 tons of zinc concentrates and 281.610 tons of lead concentrates were sold and shipped. An average gross price per ton (2000 pounds) of \$52.47 for zinc concentrates and \$73.32 for lead concentrates was obtained or an average of \$54.10 per ton of zinc and lead concentrates.

Premiums received for Over-Quota production for the year 1944, averaged \$45.18 per ton of zinc concentrates and \$38.88 per ton of lead concentrates or an average of \$44.69 per ton of zinc and lead concentrates. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$98.79.

No Royalty is paid on production from the Snapp Tract as this tract is owned in fee.

During the year 1944, \$5,149.90 was spent for operating development--this being an expenditure of \$.065 for each ton of rock mined and \$1.39 for each ton of concentrates produced. \$7,257.00 was spent for 4,691 feet of additional exploration drilling in the Snapp area.

At the beginning of the year, the proven, probable and possible ore reserve on the Snapp Tract, Gunning Lease and Ragland Lease was 21,540 tons of recoverable zinc and lead concentrates. During the year 3,602.395 tons of zinc and lead concentrates was produced from ores milled from the Snapp Tract. At the close of the year 1944, the proven, probable and possible ore reserve on the Snapp Tract was 2,000 tons of recoverable zinc and lead concentrates. The amount of concentrate tonnage that remains to be mined at #1 and #2 Mines is estimated at about 80,000 tons of ore and having a grade of 4% mill recovery or about 3,100 tons of zinc and lead concentrates.

During the year 1944, at the Snapp Unit, the operating expenditure for labor and liability insurance was \$144,607.25; for items other than labor and liability

insurance was \$86,889.72 or a total of \$231,496.97.

The total operating mine profit for the year 1944 was \$131,643.58. Exploration expense in the area surrounding the Snapp Lease amounting to \$7,257.00 was charged to operations, and, when deducted from the mine profit of \$131,643.58 left a net operating profit, Joplin Office, of \$124,386.58. Miscellaneous other income for the year 1944 was \$2,890.50.

This mine also suffered from the lack of manpower, absenteeism and low efficiency of a majority of employees.

STAFF UNIT
1 9 4 4

RECOMMENDATIONS FOR 1945

Due to the shortage of labor, no special recommendations are made for the year 1945 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the war--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

JASPER UNIT
1 9 4 4

The Jasper Tract is located in Jasper County, Missouri,
about 2 miles west of Joplin--contains about 270 acres.

JASPER UNIT
1944

The Jasper Unit was operated continuously throughout the year 1944. During the operating period the mine operated two 8-hour shifts and the mill operated three 8-hour shifts per day. All of the ore treated was hoisted at the mill shaft by two electric hoists operating in this one shaft. On account of the shortage of hand shovelers, it was necessary to mechanize all loading operations.

At the Jasper Unit during the year 1944, a total rock tonnage of 262,786 tons was hoisted and 262,781 tons of mine rock was treated in the concentrating plant. From the tonnage treated, 3,185.360 tons of zinc concentrates and 2,673,830 tons of lead concentrates were produced. The entire tonnage of rock treated during the year yielded a recovery of 1.21% in the form of zinc concentrates and 1.02% in the form of lead concentrates or a total zinc and lead recovery of 2.23%. During the operating period, 41,498 man shifts were employed in operations, each man shift averaging 6.3 rock tons or the equivalent of .14 tons of zinc and lead concentrates. The total average operating cost was \$2.255 for each ton of rock or \$101.16 for each ton of zinc and lead concentrates recovered.

The Jasper property operated under the Over-quota Production Premium Plan during the year 1944. Throughout the year the property operated on an "A", Zero "B" and 95-ton "C" Quota for zinc and an "A" Quota for lead production.

On December 31, 1943, the Jasper Unit had no concentrates in the bins. During the year 1944, 3,185.360 tons of zinc concentrates and 2,673.830 tons of lead concentrates were sold and loaded. An average gross price per ton (2000 pounds) of \$55.65 for zinc concentrates and \$79.46 for lead concentrates was obtained, or, an average of \$66.51 per ton. Premiums received for Over-quota Production for the year 1944 averaged \$79.01 per ton of zinc concentrates and \$41.44 per ton of lead concentrates or an average of \$61.87 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$128.38. The average royalty paid on zinc and lead concentrates sold and loaded was \$.67 per ton.

During the year, \$577.00 was spent for operating development and churn drilling. This was an expenditure of \$.002 for each ton of rock mined and \$.10 for each ton of concentrates recovered. There was 204 feet of churn drilling completed during the year. At the beginning of the year the probable ore reserve was 26,060

tons of zinc and lead concentrates. At the close of the year the probable and possible ore reserve was

tons of zinc and lead concentrates. During the year, 5,859.190 tons of zinc and lead concentrates were produced.

During 1944, at the Jasper Unit the operating expenditure for labor and liability insurance was \$380,552.50; for items other than labor and liability insurance was \$212,151.71 or a total of \$592,704.21.

The total operating mine profit for the year, Joplin Office, was \$155,596.13 based on concentrates sold and loaded during the year. Miscellaneous other income for the year 1944 was \$3,240.69. In addition to this amount \$8,374.79 was received from the sale of tailings produced from the milling of the Jasper ore.

During the past year, we completed the mechanization of the mine as to loading and haulage equipment.

Although this plant is located within one mile from the city limits of Joplin, it probably suffered more from the shortage of manpower, absenteeism and low employee efficiency than any of the other operating units.

JASPER UNIT
1 9 4 4

RECOMMENDATIONS FOR 1945

Due to the shortage of labor, no special recommendations are made for the year 1945 other than the mechanization of all mine operations as much as possible, taking into consideration the probable duration of the War--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

If the grade of ore continues to improve to the East in Heading #80 and continues along the North property line of the Kansas Explorations, Inc., and, the South property line of the Gibson, Et al, 40-acre tract, it will be adviseable to take a lease on this 40-acre tract. The present landowners are willing to give us a liberal lease on this land similar to the lease we now have and are conducting mining operations under, on lands adjoining the Buckingham Tract on the West.

LOTSON UNIT
1 9 4 4

The Lotson Tract is located in Ottawa County, Oklahoma--
contains 80 acres and is operated under a $12\frac{1}{2}\%$ Royalty
from the Indian Department. This tract joins the Ritz
Lease on the West. It was abandoned in September, 1944.

LOTSON UNIT
1 9 4 4

The ores mined from this tract were treated in the concentrating plant of the Mission Mining and Royalty Company, which is a custom mill located a few miles from the mine. The ores were treated on a contract price per ton of mine rock.

LOTSON UNIT
1 9 4 4

This Unit operated continuously from January 1, 1944, to May 5, 1944. A total rock tonnage of 19,649 tons of mine rock was hoisted and 19,759 tons of mine rock was treated by custom milling during the year.

From the tonnage treated 355.370 tons of zinc concentrates and 310.790 tons of lead concentrates were recovered. The entire rock tonnage treated during the year yielded a recovery of 1.80% in zinc concentrates and 1.57% in lead concentrates or a total zinc and lead concentrate recovery of 3.37%.

During the operating period 3,414 man shifts were employed in operations, each man shift averaging a production of 5.7 rock tons, or the equivalent of .19 tons of zinc and lead concentrates. The average operating cost was \$3.19 per ton of rock mined or \$94.36 for each ton of zinc and lead concentrates recovered.

The Lotson Unit operated under the Over-Quota Production Premium Plan as established by the War Production Board, whereby Premiums of \$29.70 per ton of 60% zinc concentrates and \$41.80 per ton of 80% lead concentrates was received for all production in excess of the established Quota.

Throughout the year 1944, the Lotson operated under an "A", Zero "B" and Zero "C" quota for zinc production and an "A" and Zero "B" Quota for lead production.

On December 31, 1943, the Lotson had no concentrates in bins. All of the production for the year 1944 of 355.370 tons of zinc concentrates and 310.790 tons of lead concentrates was sold and loaded. An average gross price per ton (2000 pounds) of \$53.36 for zinc concentrates and \$72.94 for lead concentrates was obtained or an average of \$62.50 per ton. Premiums for Over-Quota Production for the year 1944, averaged \$82.02 per ton of zinc concentrates and \$69.95 per ton of lead concentrates or an average of \$76.38 per ton. The average gross amount received per ton of concentrates including premiums for Over-Quota Production was \$138.88. The average royalty paid on zinc and lead concentrates sold and loaded was \$11.98 royalty being paid on all premiums received on a Zero "A" Quota in addition to the royalty paid on sales.

During the year, \$1,053.33 was spent for underground development. This was an expenditure of \$.054 for each ton of rock mined and \$1.58 for each ton of zinc and lead concentrates recovered.

During 1944, at the Lotson Unit, the operating expenditure for labor and liability insurance was \$32,266.60; for items other than labor was \$30,590.14 or a total of \$62,856.74. The total operating mine profit

for the year 1944, Joplin Office, was \$21,679.57.

Miscellaneous other income for the year was \$2,575.60.

On account of the apparent necessity of making an expenditure of \$25,000.00 to \$30,000.00 for surface drilling and underground drifting, and, taking into consideration the shortage of labor and having no assurance as to the duration of the payment of quotas by the Government, it was decided that we should abandon this property.

The Eagle-Picher Mining and Smelting Company, who operate properties to the North, South and West of this tract can make a small profitable operation of this tract, while it would require a considerable expenditure by this Company to do so.

BUCKINGHAM UNIT
1 9 4 4

The Buckingham Lease 977, Gibson Lease 1001, Robinson
Lease 1002, Boyd Lease 1007, McWaters Lease 999, Miller
Lease 1008 and Aylor Lease 1009 comprise the Buckingham
Unit which contains the total of 513 acres.

BUCKINGHAM UNIT
1 9 4 4

All the ore produced from this lease was hoisted at #1 Shaft and transported by truck, operating on contract basis, to the Snapp concentrating plant where the ore was milled. The concentrates were stored and sold separately from the Snapp and Gunning concentrates. During the month of December, 1943, Buckingham Shaft #2, located about 700 feet Southeast of #1 Shaft, was started and sunk to a depth of 74 feet by December 31, 1943. This Shaft was completed during 1944. After completion of the shaft, approximately 100 feet of development drifting was done. Because of the shortage of labor, it was thought inadvisable to attempt the operating of this shaft at this time.

During 1944, a total rock tonnage of 62,404 tons was hoisted and a total of 62,232 tons of mine rock was treated in the Snapp concentrating plant. From the tonnage treated, 3,224.400 tons of zinc concentrates and 575.630 tons of lead concentrates were recovered. The entire tonnage of rock treated during 1944 yielded a recovery of 5.18% in the form of zinc concentrates and .92% in the form of lead concentrates or a total zinc and lead concentrates recovery of 6.10%. From the above production from the Buckingham Unit there was 18,896 tons of ore

hoisted and treated from the Gibson Lease, from which was recovered 977.090 tons of zinc concentrates and 175.215 tons of lead concentrates. The ores from the Buckingham and Gibson Tracts were mined as a Unit. This ore was taken in trucks to the Snapp Mill where it was milled. The concentrates were divided between the landowners of the Gibson and Buckingham Tracts in the same proportion as to the number of tons of mine rock produced from each tract.

During the operating period, 10,095 man shifts were employed in operations, each man shift averaging a production of 6.2 rock tons or the equivalent of .38 tons of zinc and lead concentrates. The average operating cost was \$3.193 for each ton of rock or \$51.09 for each ton of zinc and lead concentrates recovered.

The Buckingham tract operated under the Over-Quota Production Premium Plan established by the War Production Board, whereby a premium of \$29.70 per ton of 60% zinc concentrate was paid for all zinc concentrates produced and a premium of \$41.80 per ton of 80% lead concentrate was paid for all lead concentrates produced. This Quota was in effect at the end of 1944.

The Gibson Tract operated under the Over-Quota Production Premium Plan throughout the year. From January

1, 1944 to May 31, 1944 operations were on an "A" and Zero "B" quota for zinc and an "A" Quota on lead production. The quota was revised on May 31, 1944 to an "A" quota on both zinc and lead production. This quota was in effect during the balance of 1944.

On December 31, 1944, the Buckingham Unit had no concentrates in the bins, all of the production for the year 1944 having been sold and loaded. During the year, 2,247.310 tons of zinc concentrates and 400.415 tons of lead concentrates were sold and loaded from production from the Buckingham Tract. An average gross price per ton (2000 pounds) of \$55.47 for zinc concentrates and \$77.82 for lead concentrates was obtained or an average of \$58.85 per ton. Premiums received for Over-quota production from the Buckingham for the year 1944 averaged \$29.80 per ton of zinc concentrates and \$40.85 per ton of lead concentrates or an average of \$31.47 per ton. The average gross amount received per ton of concentrates including premiums for Over-quota Production was \$90.32. The average royalty paid on zinc and lead concentrates sold and loaded was \$6.77 per ton, royalty being paid on gross sales and premiums received on a Zero "A" Quota.

During the year, 977.090 tons of zinc concentrates and 175.215 tons of lead concentrates were sold and loaded from production from the Gibson Lease. An

average gross price per ton (2000 pounds) of \$55.46 for zinc concentrates and \$77.81 for lead concentrates was obtained, or an average of \$55.88 per ton. Premiums received for Over-quota production from the Gibson Lease for the year 1944 averaged \$42.59 per ton of zinc concentrates and \$40.85 per ton of lead concentrates or an average of \$42.33 per ton of concentrates. The average gross amount received per ton of concentrates, including premiums for Over-quota production was \$101.21. The average royalty paid on zinc and lead concentrates sold and loaded was \$6.78 per ton, royalty being paid on the gross sales and premiums received on an "A" Quota.

During the year \$8,732.43 was spent at the Buckingham Unit for operating development and churn drilling. This was an expenditure of \$.059 for each ton of rock mined and \$1.18 for each ton of concentrates recovered. This expenditure included the cost of completing the sinking of the Buckingham No. 2 Shaft. There was 2,900 feet of churn drilling done on the Buckingham Lease #977 and Gibson Lease #1001 during the year.

At the beginning of the year, the estimated ore reserve on the Buckingham #977, Gibson #1001, Robinson #1002, and, Boyd #1007 was 95,540 tons of probable and possible zinc and lead concentrates. At the close of the

year the estimated ore reserve was tons of probable
and possible zinc and lead concentrates.

During the year 1944, at the Buckingham Unit
the operating expenditure for labor and liability insurance was \$118,319.07; for items other than labor and liability insurance was \$90,833.06 or a total of \$199,152.13. The total operating mine profit, Joplin Office, for the year 1944 was \$130,866.00 based on actual sales of concentrates sold and loaded during the year. Miscellaneous other income for the year was \$467.33.

BUCKINGHAM UNIT
1944

RECOMMENDATIONS FOR 1945

Due to the shortage of labor, no special recommendations are made for the year 1945 other than to mechanize all mine operations as much as possible, taking into consideration the probable duration of the war--the end of which will undoubtedly end the period of high prices for zinc and lead concentrates.

It is recommended that surface drilling be continued during the coming year--looking toward the development of additional operating units in this area, where additional acreage is now being leased.

PROPOSED UNITS

The leases comprising this area are located to the Northwest and Southeast of the Snapp Tract and contain 1,215 $\frac{1}{2}$ acres. Prospect Drilling on the above acreage has not as yet developed any mineable ore.

EMPLOYER'S LIABILITY

Employer's Liability
1 9 4 4

During the year 1944, the Kansas Explorations, Inc. carried their own liability insurance. A total of 88 lost time accidents occurred during the year, making a total of 3,424 shifts lost, averaging 38.8 shifts lost per accident, and 36.2 shifts lost per 1,000 man shifts worked. There was \$50,045.43 credited to the Reserve account during the year. The cost of all 1944 accidents was \$24,649.72 plus \$4,000.00 estimated liability on 1944 cases unsettled as at December 31, 1944. The indicated profit from operating Self-Insurer during 1944 was \$21,395.71. The cost during 1944 for accidents which occurred prior to the year 1944, was \$45,203.02. At December 31, 1944, the estimated liability of unsettled cases which occurred prior to 1944 was \$12,000.00. The total expended from the Reserve account during 1944 was \$69,852.74. The Reserve account for December 31, 1944 showed a credit balance of \$84,042.44 which was \$19,807.31 less than the balance at the close of 1943.

If only 1944 accidents are considered, the shifts lost per 1,000 shifts worked was 36.2, but, if the shifts lost from 1944 accidents plus the shifts lost during 1944 from accidents occurring prior to 1944 are considered together, the shifts lost per 1,000 shifts worked would be 68.46.

The 1944 accidents showed a total of 3,424 shifts lost and accident prior to 1944 showed a total of 3,052 shifts lost, making a total of 6,476 shifts lost during 1944.

LEGAL

LAW SUITS
1 9 4 4

During the year 1944, eleven suits were filed in the local district courts of Jasper County, Missouri, by former employees. Eight of these suits have been settled out of court at a total cost of \$9486.93, and three suits are now pending.

We think it advisable to start setting up a reserve for settlement of occupational disease cases as of January 1, 1945.

GENERAL

GENERAL EXPENDITURES
1 9 4 4

	AMOUNT	PERCENT OF TOTAL
Lease Rentals	\$1435.00	.10
Capital Expenditures	<u>0</u>	<u>0</u>
Total	\$1435.00	.10
 Mining & Milling Costs	 \$1385423.73	 94.73
Royalties	<u>75594.24</u>	<u>5.17</u>
 GRAND TOTAL	 \$1462452.97	 100.00

CURRENT ASSETS and CURRENT LIABILITIES
December 31, 1944

At the close of the Year 1944, Current Assets
were as follows:

Customers' Accounts Receivable:			
American Zinc, Lead & Smelting Co.	\$22788.24	\$	
Metals Reserve Co.	<u>56837.40</u>		
Total			79625.64
Customers' Accounts Receivable - Miscellaneous:			
Harry J. Abbey & Co.			448.00
Other Accounts Receivable:			
Sales of Supplies:			
St. Joseph Lead Co.	\$34.50		
Mid-Western Machinery Co.	<u>75.00</u>	109.50	
Expense incurred in Purchase of Drill Rigs:			
St. Joseph Lead Co.		20.00	
Gross Production Tax due from Landowners:			
Supt. Quapaw Indian Agency-	18.75		
Henry Hoffman	.16		
Verna Wilson, Et al	<u>.32</u>	<u>19.23</u>	
Total			<u>148.73</u>
Total Accounts Receivable			80222.37
Warehouse Stocks - Snapp	1213.13		
Warehouse Stocks - Jasper	507.50		
Sheepranch Warehouse Stock - Snapp	1873.11		
Sheepranch Warehouse Stock - Jasper	3551.98		
"Block F" Warehouse Stock - Snapp	2510.45		
"Block P" Warehouse Stock - Jasper	1292.48		
"Block P" Warehouse Stock	<u>14.40</u>		
Total Warehouse Stocks			10963.05
Total Current Assets			<u>91185.42</u>

At the Close of the Year 1944, Current Liabilities were as follows:

Accrued Accounts Payable	668.95	
Vouchers Payable	30898.21	
Unpresented Treasury Drafts	3589.24	
Unpresented Salary Drafts	4236.00	
Unpresented Payroll Drafts	18556.38	
State Compensating Tax Payable	24.93	
Union Check-offs Payable	9.50	
Accrued Wages	10170.69	
Unclaimed Wages	1162.15	
Accrued Unemployment Insurance Taxes	7744.97	
Accrued and Collected Old Age Benefit Taxes	3382.89	
Accrued Taxes	235.93	
Accrued Royalties	4401.72	
Accrued Charges on Premiums as Self-Insurer	<u>637.48</u>	
Total Current Liabilities		85700.04

DARDENNE UNIT
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The Beck Mining and Royalty Company, who
has a sub-lease on this 40-acre tract, did not operate
the property during the year 1944.